



September 10, 2004

Mr. Larry Nishihara
Acting Administrator
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
201 Merchant Street, Suite 1520
Honolulu, HI 96813

RE: VSP MONTHLY OPERATIONS REPORT – AUGUST 2004

Dear Larry:

I wanted to advise of exciting changes that VSP will be introducing nationwide to all of our commercial business, including the EUTF, on January 1, 2005.

New Name, Even Stronger Product

To better reflect the higher quality and value our customers enjoy with their VSP plan, we are changing the name of our Standard Plan to **VSP Signature Plan**. While we expect our new name to have minimal impact on you and your members, we wanted to be sure to let you know of the change.

The changes to our most popular plan are not merely cosmetic. The two following enhancements bring even greater value to one of our most popular and affordable plans.

Contact Lens Care Program

Contact lens use has grown significantly in recent years and is projected to continue growing. With that growth, our contact lens coverage is improving, too.

VSP members will find that their contact lens allowance will go farther with our new Contact Lens Care Program, a covered-in-full* benefit that provides professional contact lens care from their VSP Doctor (contact lens exam and follow-up visits) and an initial supply of non-specialty contacts including: conventional, daily or one- to two-week disposable, 30-day extended wear and planned replacement lenses. To qualify, members must currently wear contact lenses from a list of the industry's most popular brands of soft contact lenses. The contact lenses included in the program account for 75 percent of all soft-spherical lenses sold.

For members that do not qualify for the Contact Lens Care Program, their allowance applies to VSP doctors' contact lens services (less a 15 percent discount) and materials. Any costs exceeding this allowance are the patient's responsibility.

**Based on \$120 contact lens allowance.*

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Polycarbonate Lenses for Children

Reinforcing our commitment to children's eye health and doctor's best practices, we are also excited to announce that most dependent children will be eligible for polycarbonate lenses covered in full through their benefit, without any rate impact to you.

Benefits of Polycarbonate Lenses

- 10 times more impact resistant than most plastic lenses
- Exceed the FDA's impact resistance requirements by more than 40 times
- Strong, shatter and scratch-resistant – critically important for children who practice sports
- Thinner and lighter than standard plastic or glass – ideal for children with strong prescriptions
- Block 99% of UVA and 100% of UVB rays

Nearly all independent dispensers recommend polycarbonate lenses as the material of choice for children. Specifically, industry experts such as the American Optometric Association's Pediatric Clinical Practice Guidelines and the American Academy of Ophthalmology support this industry recommendation.

Spread the News

We encourage you to announce these enhancements, effective January 1, 2005, to your members during your next open enrollment period. In fact, we will have exciting new member communications to assist you with these announcements. I will provide more information in the coming months, and in the meantime, please contact me with any questions at 524-4877, extension 13 or via email at monica.engle@vsp.com

Sincerely,



MONICA B. ENGLE
Account Executive

Enclosure

cc: EUTF Board of Directors
John Garner, Garner Consulting
Bruce Smith, VSP